

**MINUTES**  
**AUDIT SUBCOMMITTEE**  
**OF THE**  
**LEGISLATIVE MANAGEMENT COMMITTEE**

The Audit Subcommittee of the Legislative Management Committee met in Room 250, Utah State Capitol, Salt Lake City, Utah, Tuesday, October 21, 2014, from 9:00 a.m. to 10:30 a.m.

Committee Members Present:	President Wayne Niederhauser, Co-Chairman Speaker Rebecca Lockhart, Co-Chairman Senator Gene Davis
Excused	Representative Jennifer Seelig

Legislative Audit Staff:	John Schaff, Auditor General Rick Coleman, Deputy Auditor General Tim Osterstock, Audit Manager Darin Underwood, Audit Manager Lynda Maynard, Recording Secretary Deanna Herring, Audit Supervisor Jesse Martinson, Legis Lead Auditor Candace Ware, Legis Lead Auditor Derek Olson, Perf Auditor Hillary Galvin, Sr Perf Auditor Chris McClelland, Sr Perf Auditor David Gibson, Audit Supervisor Kade Minchey, Audit Supervisor
--------------------------	---

Other Interested Parties:	Ann S. Williamson, Exec Dir., Dept of Human Services Paul T. Smith, Director, DSPD Mark Brasher, Deputy Director, DHS Lana Stohl, Deputy Director, DHS Dallas Earnshaw, Superintendent, Ut State Hospital Robert Burton, DHS Don Rosenbaum, DHS Cecil Robinson, Program Dir., Juvenile Justice Services Susan Burke, Director, Juvenile Justice Services, DHS Elizabeth Sollis, PO, DHS Clay Hiatt, Dir., Finance & Contracts, DSPD
---------------------------	---

Jessica Irwin, DHS  
Doug Thomas, DHS/DSAMH  
Gregg Girvan, OLRGC  
John Dougall, Utah State Auditor  
Stephen Jardine, Legis Fiscal Analyst  
Rod Decker, *KUTV2 News*  
*Other as listed*

## **1. Call to Order**

President Niederhauser called the meeting to order at 9:00 a.m.

## **2. Approval of Minutes**

Motion: Speaker Lockhart made a motion that the minutes from August 26, 2014 Audit Subcommittee meeting be approved. The motion passed unanimously.

### **3a. A Performance Audit of the Division of Services for People with Disabilities** (Report #2014-10) Presented by: Deanna Herring, Audit Supervisor

#### **Discussion following Presentation**

Ann Williamson, Executive Director, Dept of Human Services (DHS), conveyed the gratitude of DHS to the audit staff and said that DHS recognizes the opportunities that have been presented through the recommendations in the audit.

Paul Smith, Director, Division of Services for People with Disabilities, told the Audit Subcommittee that constant system improvement is the primary goal for DSPD; always looking for ways to better respond to our stakeholders who provide services to Utah citizens. Mr. Smith said that the recommendations had previously been identified internally and they were already in process for remediation.

Mr. Smith concluded by saying the Division will continue to partner with individuals they serve, family members, private sector contractors and other key stakeholders and DSPD is committed to ensuring that the resources appropriated for people with disabilities is use

efficiently and in accordance with Utah law.

Motion: Speaker Lockhart made a motion that **Performance Audit of the Division of Services for People with Disabilities** (Report #2014-10), be referred to the Social Services Appropriations Subcommittee, and the Health and Human Services Interim Committee. The motion passed unanimously.

### **3b. An In-Depth Budget Review of the Department of Human Services** (Report #2014-09)

Presented by: Jesse Martinson, Legislative Lead Auditor

#### **Discussion following Presentation**

Susan Burke, Director, Juvenile Justice Services opened the discussion of the audit findings by acknowledging the work of the audit team. Ms. Burke said that on average, 1,700 youth in a variety of different programs are served every day in the following programs:

- Early Intervention Programs
- Youth Services
- Shelter Care
- Detention Services
- Observation Assessment
- Community Placement, and
- Long-term Secure Facilities

Mr. Burke told the Audit Subcommittee that Juvenile Justice Services agree with the audit recommendations and the need to reduce recidivism and they have been implementing measures to influence recidivism rates, including accountability measures and program performance measures, with a goal to have healthy, competent young people living in homes, living in the community, being active in our communities and contributing back to the community.

Dallas Earnshaw, Superintendent, Utah State Hospital, said the audit identified some very difficult challenges that are faced, including the growing demand for services in the forensic area, with a growing forensic population, and the task the State Hospital has to provide safety for the community, their staff and the patients at the hospital and the need to

continually monitor this area and find the most cost-effective measures that can be provided for services to these patients.

Motion: Speaker Lockhart made a motion that the **In-Depth Budget Review of the Department of Human Services** (Report #2014-09), be referred to Social Services Appropriations Subcommittee, and the Health and Human Services Interim Committee, the Child Welfare Legislative Oversight Committee and the Juvenile Justice Services Chapter (Chapter III) be referred to the Legislative Management Committee. The motion passed unanimously.

#### **4. New Audit Request**

John Schaff, Auditor General, gave a brief description of the following three new audit requests—

- Department of Financial Institutions
- Career and Technical Services
- Administrative Costs and Reporting Requirements for DSPD Services

President Niederhauser told the members that the request for an audit of DWS Customer Relations would be moved up to “Future Audits” without the need of a motion as the Auditor General’s office has been working on this request.

Motion: Speaker Lockhart made a motion that the requests for audits of the Program Coordination between UCAT and Public Education and Career and Technical Education be approved. The motion was passed unanimously.

#### **5. Committee Discussion**

John Schaff referred to the problem of an early release of one of the “Embargoed” audits before the August meeting and gave the Audit Subcommittee the following three options to consider to rectify the problem:

Option 1. Allow the current practice of “Embargoed” hard copies and electronic copies to continue, with the understanding of increased internal controls in the office.

Option 2. Provide hard copies of the ‘Embargoed” audit reports with no electronic copies given out.

Option 3. Discontinue giving out “Embargoed” copies of the audit reports before it is presented to the Audit Subcommittee.

Motion: Speaker Lockhart made a motion that Option 1, allowing the current practice of “Embargoed” copies of the audit reports be continued.  
The motion passed unanimously.

## **6. Adjournment**

President Niederhauser adjourned the meeting at 10:30 a.m.